

**SETTLEMENT AGREEMENT BETWEEN  
THE UNITED STATES OF AMERICA AND LAKEFRONT OPERATIONS, INC.,  
d/b/a CASTAWAYS AT NORTH AVENUE BEACH, a/k/a CASTAWAYS BAR & GRILL**

**DJ# 202-23-393**

The Parties to this Settlement Agreement (the “Agreement”) are the United States of America and Lakefront Operations, Inc. (“Lakefront Operations”), an Illinois corporation, d/b/a Castaways at North Avenue Beach, a/k/a Castaways Bar & Grill (“Castaways”) at 1603 North Lake Shore Drive, Chicago, Illinois 60614.

**I. Background**

1. This Agreement is reached under Title III of the Americans with Disabilities Act of 1990, as amended (“ADA”), 42 U.S.C. §§12181-12189, and its implementing regulation, 28 C.F.R. Part 36, to resolve an investigation initiated by the United States Attorney’s Office for the Northern District of Illinois.

2. Complainant is legally blind and relies on a service dog for many daily life activities, including pedestrian travel. In June 2022, Complainant attempted to enter a restaurant called Castaways Bar & Grill located at North Avenue Beach in Chicago. Based on allegations by Complainant and as captured on video, Complainant was initially told that no dogs were permitted in the restaurant and then was told she would only be permitted to dine at Castaways if she sat in a segregated section of the restaurant because she was accompanied by her service animal.

3. Castaways is a place of public accommodation because it is a restaurant under 42 U.S.C. § 12181(7)(B) and 28 C.F.R. § 36.104(2). Lakefront Operations is a public accommodation because it owns and operates Castaways and is thus subject to the requirements of Title III of the ADA. 28 C.F.R. §§ 36.104; 36.302.

4. The United States is authorized to investigate alleged violations of Title III of the ADA, to use alternative means of dispute resolution, where appropriate, including settlement negotiations to resolve disputes, and to bring a civil action in federal court in any case that involves a pattern or practice of discrimination or that raises an issue of general public importance. 42 U.S.C. §§ 12188(b), 12212; 28 C.F.R. §§ 36.502, 503, 506.

5. Generally, a public accommodation shall modify policies, practices, or procedures to permit the use of a service animal by an individual with a disability. 28 C.F.R. § 36.302(c)(1). A public accommodation shall not require documentation, such as proof that the animal has been certified, trained, or licensed as a service animal. 28 C.F.R. § 36.302(c)(6).

## **II. Allegations**

5. Complainant alleges the following: On June 19, 2022, Complainant, a person with a disability accompanied by her service animal, attempted to visit Castaways to have a meal. Restaurant staff verbally harassed Complainant, accused her of being disruptive and lying about her disability, and told her repeatedly that dogs were not allowed and that she would only be allowed seating in the back of the restaurant, segregated from other patrons. This harassment continued for several minutes and occurred in front of other restaurant guests and staff. Complainant attempted to explain that such segregated seating due to the presence of a service dog violates the Americans with Disabilities Act, but the restaurant staff would not listen.

6. As a result of its investigation, the United States has determined that Complainant was denied equal access to the goods and services of Castaways when it failed to modify policies, practices, or procedures to permit the use of a service animal by an individual with a disability. 42 U.S.C. § 12182(a); 28 C.F.R. § 36.302(c).

7. The Parties have determined that their respective interests can be met without engaging in litigation, and this Agreement is made to confirm access to persons with disabilities and avoid the costs as well as the burdens of litigation. This Agreement is not an admission of liability by Lakefront Operations. By entering into this Agreement, Lakefront Operations does not admit the allegations alleged above, or to any violation of law, liability, fault, misconduct, or wrongdoing in connection with those allegations. The Parties have determined that the complaint filed with the United States can be resolved without litigation and have agreed to the terms of this Agreement.

### **III. Remedial Actions**

8. Consistent with the law, Lakefront Operations with respect to its Castaways restaurant shall not discriminate against any individual on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages, or accommodations of Castaways by excluding or providing unequal treatment to persons with disabilities who use service animals. Castaways personnel shall permit the use of service animals by individuals with disabilities at the restaurant, pursuant to 28 C.F.R. § 36.302(c).

9. Lakefront Operations with respect to its Castaways restaurant shall adopt, maintain, and enforce the policy attached as Attachment B to this Agreement (the "Policy"), which covers treatment of customers using service animals. Castaways shall post a copy of the Policy in the area of the restaurant where Staff are given information on company policy (e.g., Worker's Compensation, Wage and Hour Laws, etc.). The Policy will be communicated to Staff in English and in any additional language(s) necessary for all Staff to understand the Policy.

10. Within thirty (30) days after the effective date of this Agreement, Lakefront Operations shall provide a copy of the Policy to each employee of Castaways who routinely comes

in contact with the customers at the restaurant (including all security staff) as well as each owner and manager (collectively, "Staff"). For purposes of paragraph 10, Staff shall not include employees or contractors who work in the kitchen and do not routinely interact with restaurant customers, and therefore, such individuals are not required by this Agreement to receive a copy of the Policy.

11. Within thirty (30) days after the effective date of this Agreement, Lakefront Operations will also post a sign at Castaways, not less than 6" x 9" with a font size of at least 36, stating "This Restaurant Welcomes Customers with Disabilities Who Are Accompanied by Their Service Animals." The sign will be installed on or next to the entrance area of Castaways.

12. Within fifteen (15) days after receiving the Complainant's signed release (a blank release form is attached as Exhibit A), Lakefront Operations shall pay FIFTEEN THOUSAND DOLLARS (\$15,000.00) by check made payable to Complainant. 42 U.S.C. § 12188(b)(2)(C). This payment will be delivered to Assistant U.S. Attorney Patrick Johnson, United States Attorney's Office, 219 S. Dearborn St., Suite 500, Chicago, Illinois 60604.

13. Within fifteen (15) days of the effective date of this Agreement, Lakefront Operations will send by Federal Express, certified mail, return receipt requested, or hand delivery, a second check in the amount of two thousand five hundred (\$2,500.00) dollars made out to the United States. The check shall be mailed to: Office of the United States Attorney, 219 South Dearborn Street, 5th Floor, Chicago, Illinois 60604, Attn: AUSA Patrick Johnson.

14. All Staff shall undergo suitable training on the obligations of public accommodations to serve persons with disabilities, and specifically on service animal obligations. This training shall occur for current Staff within thirty (30) days of the date of this Agreement. All future Staff shall be provided this same training within sixty (60) days of their date of hire. The

training, for purposes of this Settlement Agreement only, shall include each Staff member or owner being provided a copy of the Policy attached hereto as Exhibit B; a copy of the explanatory items attached hereto as Exhibit C ("ADA 2010 Revised Requirements for Service Animals"); and Exhibit D ("Frequently Asked Questions About Service Animals and the ADA"). If the Staff member or owner does not read and comprehend the English language, Lakefront Operations shall arrange for this information to be communicated to that Staff member or owner in their respective native languages so that each Staff member or owner will have a full and complete understanding. Each Staff member and owner shall date, sign, and print his or her name legibly on the Policy indicating his or her understanding and agreement to abide by the Policy adopted for the Castaways restaurant. Within sixty (60) days of the date of this Agreement, Lakefront Operations or its authorized representative will confirm via e-mail or letter to the U.S. Attorney's Office that the requirements of this paragraph have been fulfilled.

#### **IV. Enforcement and Miscellaneous Provisions**

15. In consideration for this Agreement, the United States agrees to close out its investigation and refrain from pursuing any action or remedy, including but not limited to filing any lawsuit or other action regarding Castaways or any of their employees, assigns, successors in interest, representatives, agents, or attorneys, relating to the alleged violations of the ADA and federal law which occurred on or about June 19, 2022, as described above in this Agreement. The United States reserves, however, the right to file a civil lawsuit to enforce this Agreement under the terms of paragraph 16.

16. If Lakefront Operations fails to take any of the actions described in Section III of this Agreement under the terms and time periods specified without obtaining sufficient advance written approval from the United States, Lakefront Operations will correct this noncompliance

within thirty (30) days of being notified of the noncompliance. Payment of the penalty shall not be the exclusive remedy of the United States upon any breach of this Settlement Agreement regarding Lakefront Operations.

17. Failure by the United States to enforce this entire Agreement, or any provision thereof, with regard to any deadline or any other provision will not be construed as a waiver of its right to do so for other deadlines and provisions of this Agreement.

18. The United States Attorney's Office does not intend any aspect of this Agreement to evidence a legal interpretation of the ADA or any state accessibility law.

19. This Agreement is a public document. A copy of this document, or any information contained in it, may be made available to any person.

20. This Agreement is binding on Lakefront Operations and any owners or successors in interest to Lakefront Operations, and Lakefront Operations shall have a duty to notify any successors in interest.

21. This Agreement is the entire agreement between the United States of America and Lakefront Operations. No other statement, promise, or agreement, either written or oral, made by either party or agents of either party, not in this written Agreement will be enforceable.

~~22. This Agreement is limited to the facts and allegations in it regarding Castaways,~~  
which are summarized above. This Agreement does not purport to remedy any other potential violations of the ADA or any other Federal law. This Agreement does not purport to list all violations of the Americans with Disabilities Act that may have occurred or are occurring at Castaways.

23. The individuals signing this Agreement represents that they are authorized to bind the Parties to this Agreement.

24. Notices of any kind required or contemplated under this Agreement shall be made by mailing the notice via United States Postal Service, first class certified mail, return receipt requested, or by Federal Express. Notice will be considered given on the date of receipt identified on the return receipt. Notices to the United States Attorney's Office shall be mailed to the address in the signature block below of the undersigned Assistant U.S. Attorney. Notices to Lakefront Operations shall be mailed to Phil Stefani at Lakefront Operations, Inc., 640 N. LaSalle Street, Suite 590, Chicago, Illinois 60654, with an email copy to its attorney Joseph J. Lynett at Joseph.Lynett@jacksonlewis.com.

25. Deadlines listed in this Agreement that fall on weekends or holidays will be extended to the next business day.

26. The effective date of this Agreement is the latest-dated signature below. The Agreement will remain in effect until three years after the effective date.

UNITED STATES OF AMERICA

JOHN R. LAUSCH, Jr.  
United States Attorney

By:   
PATRICK JOHNSON  
Assistant United States Attorney  
219 South Dearborn Street  
Chicago, Illinois 60604  
(312) 353-5327  
patrick.johnson2@usdoj.gov

Dated: November 2, 2022

LAKEFRONT OPERATIONS, INC., an ILLINOIS  
CORPORATION, d/b/a CASTAWAYS AT  
NORTH AVENUE BEACH, a/k/a CASTAWAYS  
BAR & GRILL

Dated: November 2, 2022

  
PHIL STEFANI, President

**Exhibit A**

**RELEASE**

I, \_\_\_\_\_, execute this Release for the benefit of Lakefront Operations, Inc., an Illinois corporation, d/b/a Castaways at North Avenue Beach, a/k/a Castaways Bar & Grill ("Castaways").

WHEREAS, I have claimed in a complaint filed with the United States Department of Justice (the "United States") that personnel at Castaways discriminated against me on the basis of my disability in violation of Title III of the Americans with Disabilities Act ("ADA"), 42 U.S.C. §§ 12181-12189 on June 19, 2022. Specifically, I alleged that Castaways failed to modify its policies to provide an individual using a service animal with equal access to its restaurant. See 28 C.F.R. § 36.302;

WHEREAS, the United States engaged in an investigation and settlement negotiations on behalf of the public interest;

WHEREAS, the United States and Lakefront Operations have agreed to a settlement in this matter (the "Settlement");

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and in consideration of the payment to me of the sum of fifteen thousand (\$15,000.00) dollars as set forth in the Agreement, I agree as follows:

1. I hereby release and forever discharge Castaways, its parents, sponsors, subsidiaries, affiliates, successors, assigns, shareholders, directors, officers, agents, heirs, and current and former employees from any and all causes, suits, reckonings, whether in law or equity, known or unknown, and claims for attorneys' fees, costs, interest, and claims for any other damages, whether they be compensatory, exemplary, punitive or any other form, and any other claim whatsoever, which I now have or have ever had with respect to the occurrence on June 19, 2022, including but not limited to those relating to or arising (or could have arisen) from my allegations of discrimination under Title III of the Americans with Disabilities Act against Castaways.

2. This Release is a one-page document. By signing below, I agree to all terms contained in this Release. I further acknowledge that I have entered into this Release voluntarily and of my own free will.

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Date: November \_\_, 2022

## Exhibit B

### Castaways' Policy Regarding Service Animals Used by People with Disabilities

At Castaways, we are committed to permitting individuals with disabilities who use service animals to access our restaurant pursuant to the provisions of the ADA. Service animals play an important role in ensuring the independence of people with disabilities, and it is therefore our policy to welcome into our restaurant, pursuant to the provisions of the ADA, any service animal that is trained to assist a person with a disability.

#### Requirements with Regard to Service Animals:

Under the ADA, a service animal is defined as a dog that has been individually trained to do work or perform tasks for an individual with a disability. The tasks performed by the dog must be directly related to the person's disability. Emotional support, therapy, comfort, or companion animals not considered service animals under the ADA because they have not been trained to perform a specific job or task.

Most of the time, people with disabilities who use service animals can be easily identified without any need for questioning. If it is readily apparent that an animal is trained to do work or perform tasks for an individual with a disability, it is our policy not to make an individual feel unwelcome by asking questions. If we are unsure whether a dog is a service animal, it is our policy to ask the individual only two questions:

- Is the dog a service animal required because of a disability?
- What work or task has your dog been trained to perform?

If the individual says yes to the first question and explains the work or tasks that the animal is trained to perform, we will welcome the person and service animal into the restaurant without asking any additional questions about his or her service animal. We will not ask an individual questions about his or her disability. *We will not ask an individual to show a license, certification,*

*or special ID card as proof of their animal's training.* Except in the limited exceptions provided by the ADA, people with disabilities who use service animals are welcome *in all areas* of our restaurant used by customers or other members of the public, and we will treat individuals with disabilities who use service animals with the same courtesy and respect that Castaways' owners, operators, and employees afford to all of our customers.

**Manager Responsibilities:**

Castaways personnel have the right to exclude a service animal from the restaurant if the dog is out of control and the handler does not take effective action to control it, or the dog is not housebroken. Each situation will be considered individually. When there is a legitimate reason to request that a service animal be removed, Castaways Staff must offer the person with the disability the opportunity to obtain goods or services without the animal's presence. Only a manager or owner at Castaways can make the decision to exclude a service animal. Therefore, if you determine that a service animal should be removed, you must first confer with your manager or his/her designee and let them make the final decision and handle this issue with the customer instead of you.

**Acknowledgment:**

I have read (or had explained to me in a language I understand) the foregoing Policy as well as the document entitled "Frequently Asked Questions About Service Animals and the ADA" and agree to abide by the requirements contained therein.

DATE \_\_\_\_\_

EMPLOYEE'S SIGNATURE  
\_\_\_\_\_

EMPLOYEE'S PRINTED NAME  
\_\_\_\_\_



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U.S. Department of Justice  
Civil Rights Division  
*Disability Rights Section*



## Service Animals

The Department of Justice published revised final regulations implementing the Americans with Disabilities Act (ADA) for title II (State and local government services) and title III (public accommodations and commercial facilities) on September 15, 2010, in the Federal Register. These requirements, or rules, contain updated requirements, including the 2010 Standards for Accessible Design (2010 Standards).

### Overview

This publication provides guidance on the term “service animal” and the service animal provisions in the Department’s regulations.

- Beginning on March 15, 2011, only dogs are recognized as service animals under titles II and III of the ADA.
- A service animal is a dog that is individually trained to do work or perform tasks for a person with a disability.
- Generally, title II and title III entities must permit service animals to accompany people with disabilities in all areas where members of the public are allowed to go.

### How “Service Animal” Is Defined

**Service animals are defined as dogs that are individually trained to do work or perform tasks for people with disabilities.** Examples of such work or tasks include guiding people who are blind, alerting people who are deaf, pulling a wheelchair, alerting and protecting a person who is having a seizure, reminding a person with mental illness to take prescribed medications, calming a person with Post Traumatic Stress Disorder (PTSD) during an anxiety attack, or performing other duties. Service animals are working animals, not pets. The work or task a dog has been trained to provide must be directly related to the person’s disability. Dogs whose sole function is to provide comfort or emotional support do not qualify as service animals under the ADA.

This definition does not affect or limit the broader definition of “assistance animal” under the Fair Housing Act or the broader definition of “service animal” under the Air Carrier Access Act.

Some State and local laws also define service animal more broadly than the ADA does. Information about such laws can be obtained from the relevant State attorney general’s office.

### Where Service Animals Are Allowed

**Under the ADA, State and local governments, businesses, and nonprofit organizations that serve the public generally must allow service animals to accompany people with disabilities in all areas of the facility where the public is allowed to go.** For example, in a hospital it usually would be inappropriate to exclude a service animal from areas such as patient rooms, clinics, cafeterias, or examination rooms. However, it may be appropriate to exclude a service animal from operating rooms or burn units where the animal's presence may compromise a sterile environment.

## Service Animals Must Be Under Control

**A service animal must be under the control of its handler. Under the ADA, service animals must be harnessed, leashed, or tethered, unless the individual's disability prevents using these devices or these devices interfere with the service animal's safe, effective performance of tasks.** In that case, the individual must maintain control of the animal through voice, signal, or other effective controls.

## Inquiries, Exclusions, Charges, and Other Specific Rules Related to Service Animals

- When it is not obvious what service an animal provides, only limited inquiries are allowed. Staff may ask two questions: (1) is the dog a service animal required because of a disability, and (2) what work or task has the dog been trained to perform. Staff cannot ask about the person's disability, require medical documentation, require a special identification card or training documentation for the dog, or ask that the dog demonstrate its ability to perform the work or task.
- Allergies and fear of dogs are not valid reasons for denying access or refusing service to people using service animals. When a person who is allergic to dog dander and a person who uses a service animal must spend time in the same room or facility, for example, in a school classroom or at a homeless shelter, they both should be accommodated by assigning them, if possible, to different locations within the room or different rooms in the facility.
- A person with a disability cannot be asked to remove his service animal from the premises unless: (1) the dog is out of control and the handler does not take effective action to control it or (2) the dog is not housebroken. When there is a legitimate reason to ask that a service animal be removed, staff must offer the person with the disability the opportunity to obtain goods or services without the animal's presence.
- Establishments that sell or prepare food must generally allow service animals in public areas even if state or local health codes prohibit animals on the premises.
- People with disabilities who use service animals cannot be isolated from other patrons, treated less favorably than other patrons, or charged fees that are not charged to other patrons without animals. In addition, if a business requires a deposit or fee to be paid by patrons with pets, it must waive the charge for service animals.
- If a business such as a hotel normally charges guests for damage that they cause, a customer with a disability may also be charged for damage caused by himself or his service animal.
- Staff are not required to provide care for or supervision of a service animal.

## Miniature Horses

**In addition to the provisions about service dogs, the Department's ADA regulations have a separate provision about miniature horses that have been individually trained to do work or perform tasks for people with disabilities.** (Miniature horses generally range in height from 24 inches to 34 inches measured to the shoulders and generally weigh between 70 and 100 pounds.) Entities covered by the ADA must modify their policies to permit miniature horses where reasonable. The regulations set out four assessment factors to assist entities in determining whether miniature horses can be accommodated in their facility. The assessment factors are (1) whether the miniature horse is housebroken; (2) whether the miniature horse is under the owner's control; (3) whether the facility can accommodate the miniature horse's type, size, and weight; and (4) whether the miniature horse's presence will not compromise legitimate safety requirements necessary for safe operation of the facility.

**For more information about the ADA, please visit our website or call our toll-free number.**

**ADA Website**

**[www.ADA.gov](http://www.ADA.gov)**

To receive e-mail notifications when new ADA information is available,  
visit the ADA Website's home page to sign up for email updates.

**ADA Information Line**

800-514-0301 (Voice) and 800-514-0383 (TTY)

24 hours a day to order publications by mail.

M-W, F 9:30 a.m. – 5:30 p.m., Th 12:30 p.m. – 5:30 p.m. (Eastern Time)

to speak with an ADA Specialist. All calls are confidential.

For persons with disabilities, this publication is available in alternate formats.

Duplication of this document is encouraged.

The Americans with Disabilities Act authorizes the Department of Justice (the Department) to provide technical assistance to individuals and entities that have rights or responsibilities under the Act. This document provides informal guidance to assist you in understanding the ADA and the Department's regulations.

This guidance document is not intended to be a final agency action, has no legally binding effect, and may be rescinded or modified in the Department's complete discretion, in accordance with applicable laws. The Department's guidance documents, including this guidance, do not establish legally enforceable responsibilities beyond what is required by the terms of the applicable statutes, regulations, or binding judicial precedent.

Originally issued: July 12, 2011

Last updated: February 24, 2020